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An Act To Ensure Adequate Insurance Coverage for Family Child Care Providers

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §3060 is enacted to read:

§ 3060. Insurance coverage for family child care providers

1. Proof of liability insurance. An insurer authorized to transact business in this State may not cancel or refuse to issue or renew a property insurance policy covering the dwelling of a family child care provider certified under Title 22, section 8301-A, subsection 3 if the family child care provider demonstrates satisfactory evidence of separate insurance coverage for business liability.

2. No liability for losses under property insurance policy. An insurer authorized to transact business in this State is not liable under a property insurance policy issued to a family child care provider certified under Title 22, section 8301-A, subsection 3 for any loss or damage arising from the operation of the family child care provider's business unless that loss or damage is specifically covered under the property insurance policy or under a separate rider attached to the policy for business liability coverage.

3. No restriction based on number of children in family child care. An insurer authorized to transact business in this State that provides a rider to a property insurance policy to cover business liability for a family child care provider may not restrict coverage under that rider based on the number of children cared for in the dwelling except as provided in the family child care provider certification issued pursuant to Title 22, section 8301-A, subsection 3 and rules adopted by the Department of Health and Human Services.

SUMMARY

This bill makes it clear that insurers issuing homeowner's insurance policies are not liable under those policies for losses or damages arising out of the services provided by certified family child care providers in an insured's home unless coverage is specifically provided under the policy or a rider providing business liability coverage is attached to the policy. The bill prohibits an insurer from refusing to issue, renew or cancel a policy if the insured can demonstrate satisfactory evidence of liability insurance coverage for the operations of the family child care. The bill also prohibits insurers from restricting coverage under any rider for a family child care provider based on the number of children cared for in the home except as provided in the family child care provider's certification.